



Tennessee Regulatory Authority

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TRA Agrees to Settlement; Telecommunications Company to Pay Fine of \$325,000

Nashville, Tennessee – In the largest settlement obtained in the agency's history, the Tennessee Regulatory Authority (TRA) today accepted a settlement of \$325,000 between the TRA's Consumer Services Division and a telecommunications company charged with violating Tennessee's "Do Not Call" statute and the state's telephone slamming and cramming laws. The laws were passed by the Tennessee General Assembly to better protect consumers in the changing telecommunications sector.

Talk.com (now doing business as Talk America Inc.) has been under investigation by the Consumer Services Division since September of 2000 for allegedly switching residential consumers' telecommunications service providers without permission – a practice known as "slamming", and for allegations of billing consumers for services never ordered, a practice referred to as "cramming." The company has also been under investigation for allegedly soliciting consumers whose names are listed on the state's "Do Not Call" registry.

The investigation revealed that there were three separate categories of allegations filed by numerous consumers against Talk.com over a two-year period.

"This settlement should send a message that violations of state law will be enforced aggressively by the TRA," says Consumer Services Division chief, Eddie Roberson.

As part of the company's agreement with the TRA, Talk.com has agreed to:

- Remit the amount of \$325,000 to the TRA.
- Abstain from the use of promotional checks for a period of one year.
- Notify all Talk.com complainants of their legal rights under Tennessee law and of the settlement's outcome.
- Allow the Consumer Service Division to monitor the company's operations and perform random on-site audits to ensure compliance.
- Provide extensive reporting to the TRA of all Tennessee consumer complaints received.

Roberson also added that, according to the Consumer Service Division's investigation, Talk.com has not violated state law since November of 2001 and remains in good standing with the established laws governing the marketing of telecommunications services in Tennessee. "We are satisfied with the settlement and Talk.com's response to the allegations," he said.

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